

Ask us how we can connect you.



**Commnet**  
Connecting Rural America

**Mobility Fund**

*Nevada  
Broadband  
Task Force*



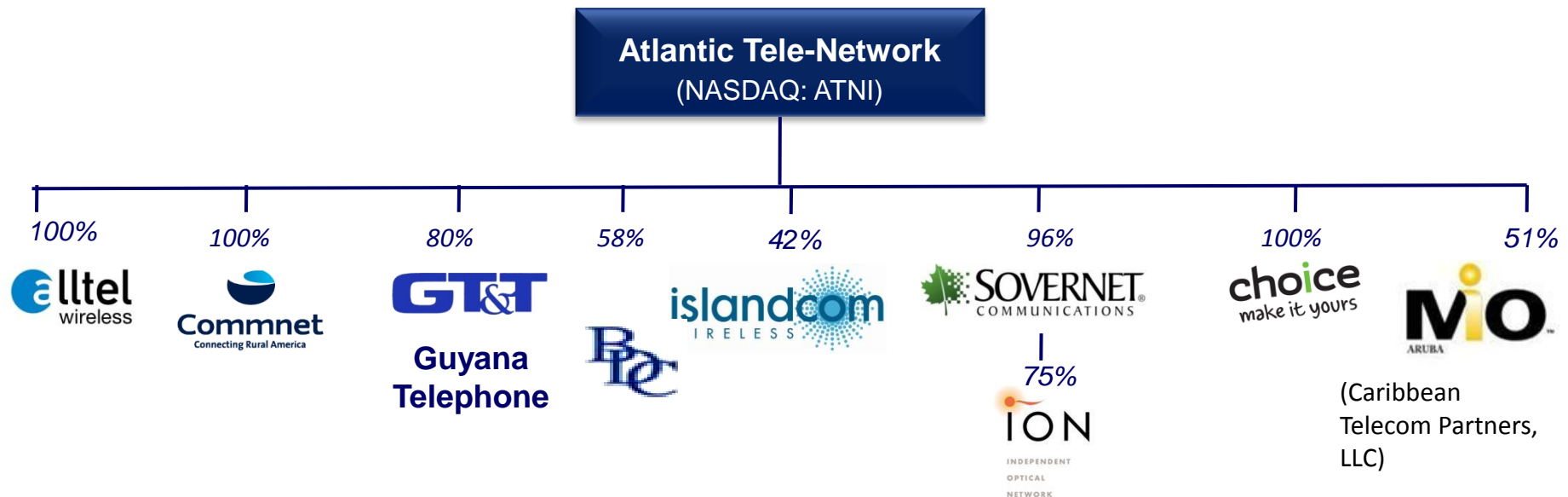
# Agenda

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- Introductions
  - ATN/Commnet/Choice Wireless
- Commnet of Nevada existing network
  - Retail Product (Choice Wireless)
- Mobility Fund Auction
  - Background
  - Award
  - Q&A

# Atlantic Tele-Network (ATN) Overview

- Provides wireless and wire line telecommunication services
- Founded in 1987
- Very stable company with a strong Balance Sheet
- Publicly traded on the NASDAQ under ATNI
- 8<sup>th</sup> largest wireless carrier in the US
- \$600M Market Cap; \$750M Annual Revenue



# ATN Approach

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Operate in underserved and niche markets



Compete effectively through market-tailored service offerings and superior customer care



Empower local management



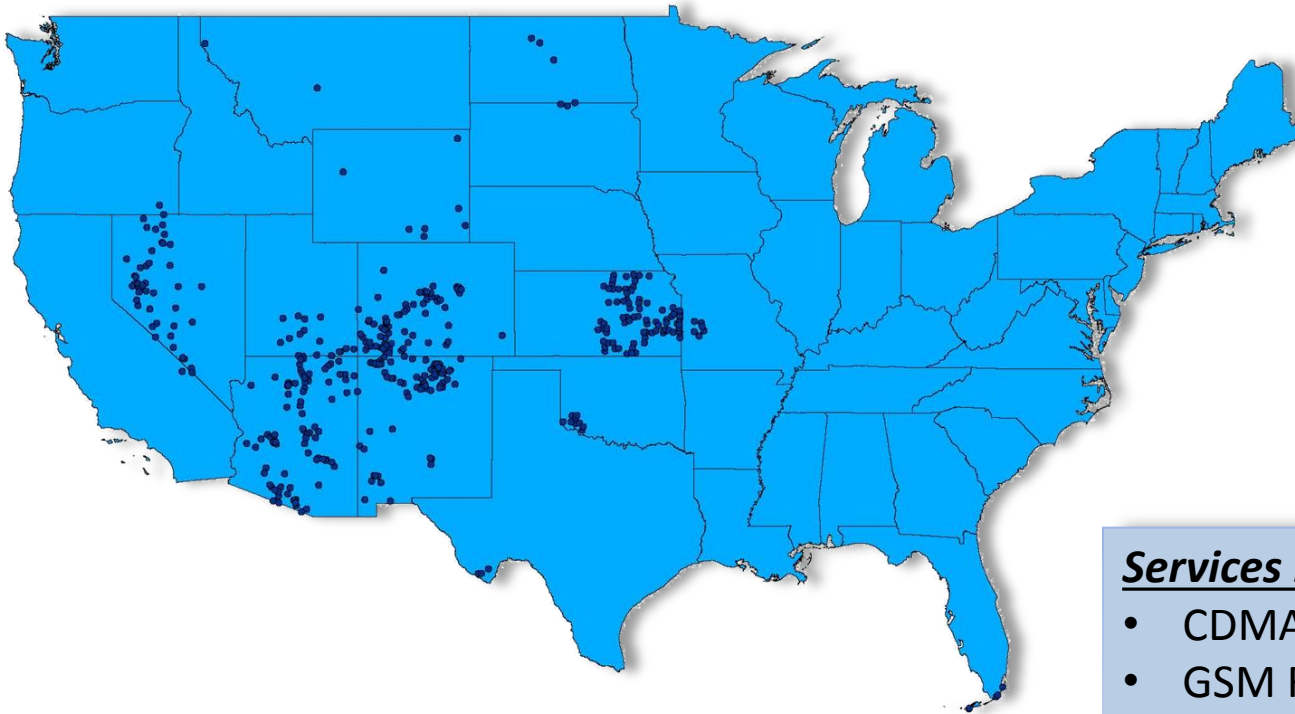
Acquire – Invest – Enhance

# Acquisition of Select Alltel Markets

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- Required divestiture by Verizon
- Closed April 26, 2010
- Purchase price + 2010/11 transition capital expenditures
  - **\$200 Million + ~\$85 Million = \$285 Million**
- +/- 800,000 subscribers and #2 market share position in most markets at close
- Rural Markets across Georgia, North Carolina, South Carolina, Illinois, Ohio and Idaho
- Entire 3G network in place

# Commnet Market Presence



Providing communication services to some of the most remote locations in the USA. These areas State/National Parks, lakes, ski areas, mines, remote towns and Native American Reservations.

## **Services include:**

- CDMA Roaming
- GSM Roaming
- Wireless Retail
- Internet Access
- Point to Point Connectivity



# Choice Wireless Coverage



- ATN Acquired wireless assets of CC Communications in 2009 and formed Commnet of Nevada
- Commnet provides both GSM and CDMA wholesale roaming
- CC Comm maintained their retail brand using the Commnet coverage
- Comment has invested in upgrading sites and adding new coverage
- Comment added a Micro-retail offering under Choice Wireless brand with CDMA EVDO
- CC Comm suspended their wireless product offering in 2012
- <http://us.choice-wireless.com/locations-maps>

# Current Retail Offer

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- No-contract, no-credit check offering in all markets
- Monthly and daily plans
  - ✓ Customers choose the best solution for their needs
- Simple plans
  - ✓ Customers choose what functions they need for their phone
- Everything is pay-in-advance (monthly) or prepaid(daily)
  - ✓ Customers pay at the beginning of their service month
- No bad debt and no receivables
- Customers have no surprises when they get their monthly bill
- Customers can also purchase and download
  - ✓ Music
  - ✓ Videos
  - ✓ Games

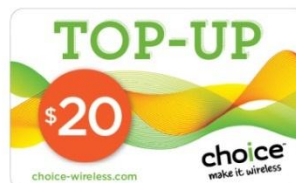


# Retail Products at a Glance

## Pre-packed Phones



## Top-up Cards



## Accessories



# FCC Mobility Fund Overview

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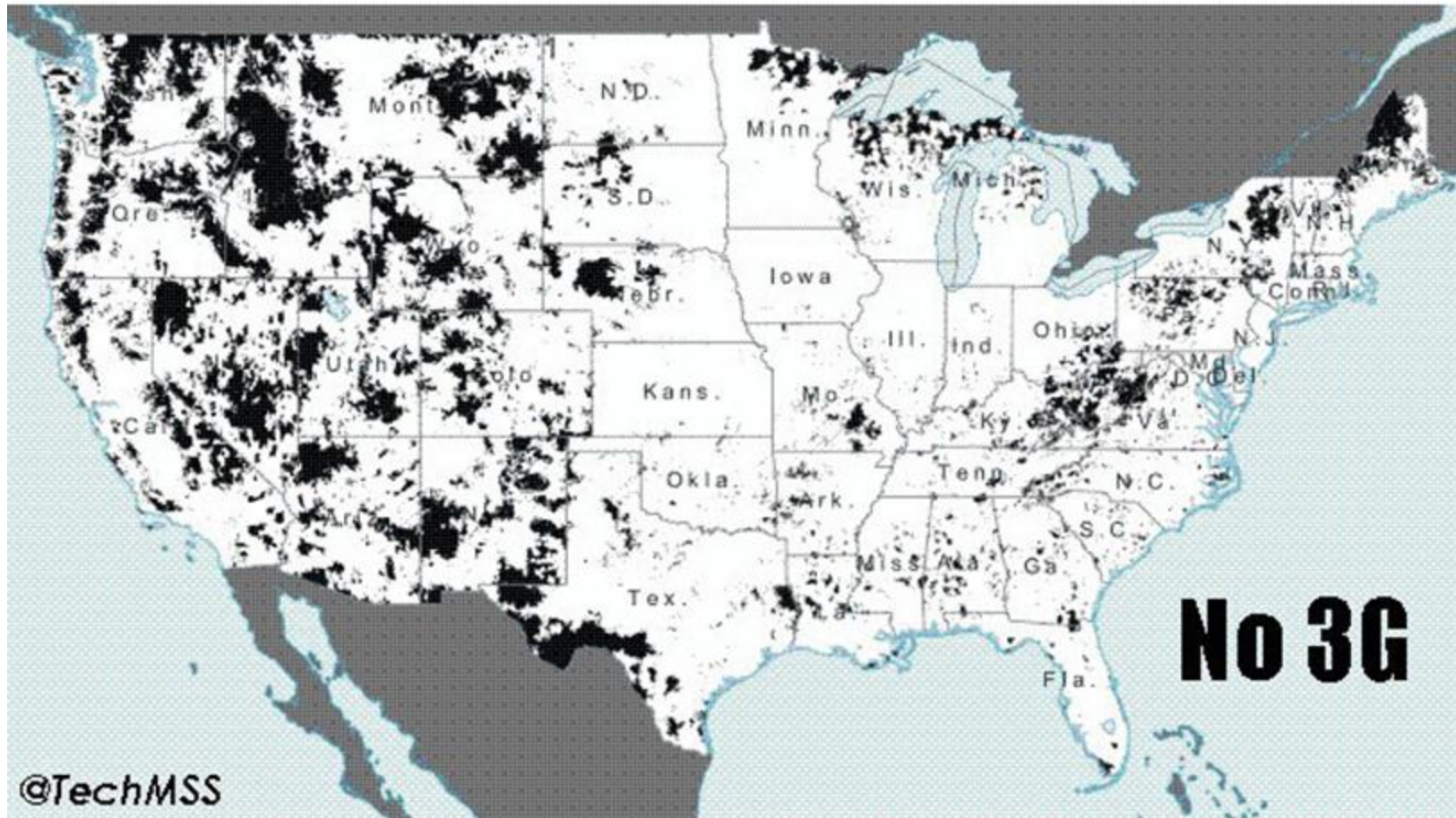
- FCC oversees USAC which administers the USF
- Universal Service Fund has \$8.1B Annual Budget
  - Four programs including E-Rate (schools), RHC, Lifeline (Low Income), and High Cost Service areas
  - High Cost Service Area being converted to Connect America Fund (CAF) over 5 year period
  - CAF is capped at \$4.5B Annual
- FCC Mobility Fund (part of CAF)
  - *Phase I - \$300M One time award (Oct 2012)*
  - Tribal Phase I - \$50M One time award (3Q2013)
  - Phase II - \$500M recurring(4Q2013)

# FCC Mobility Phase I Auction

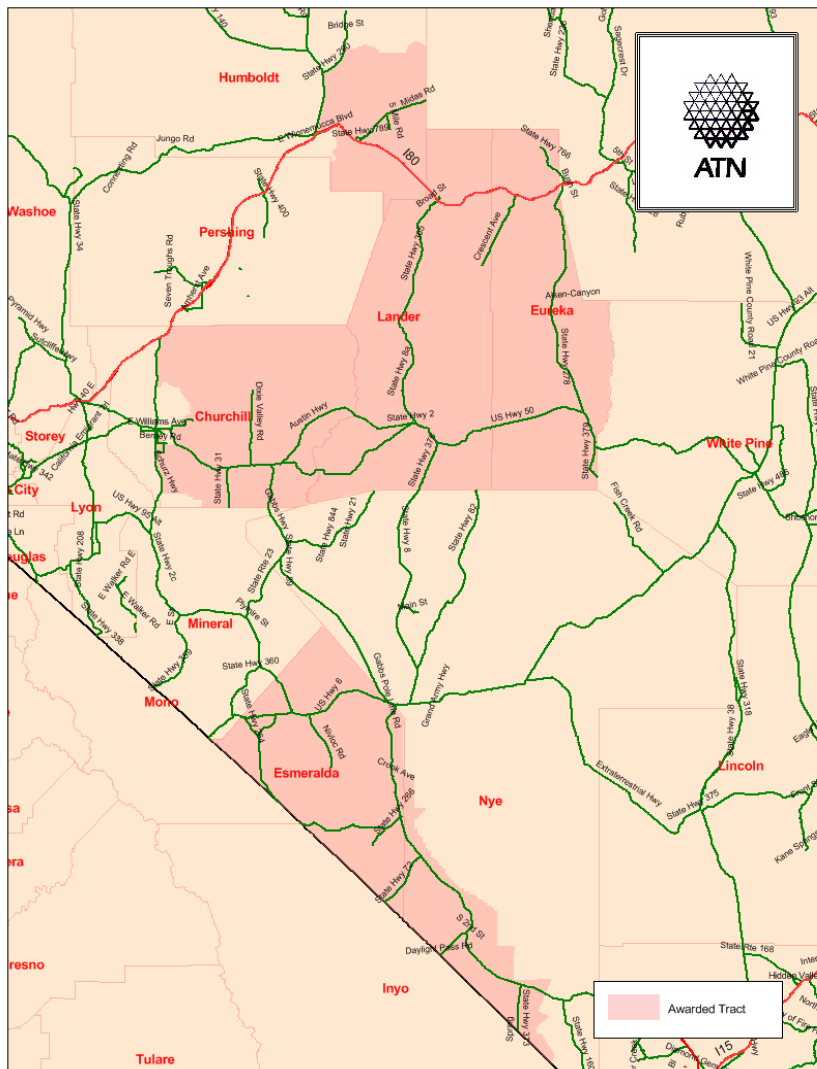
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- Reverse Blind Auction - Bid Sept & Awarded in Oct 2012
- Qualifications:
  - FCC Licensed Spectrum
  - ETC Designation
  - Letter of Credit (LOC)
  - Competitive Retail Offering
  - 2-3 Year Build out Requirement
  - 3G (200KB/50KB) / 3G (768 KB / 200 KB) at Cell Edge
- Centroid of Census Block used to determine coverage based on mapping provided by American Roamer
- Census Blocks rolled into Census Tracks
- Census tracks converted to road miles
- Road miles the basis for funding

# Census Tracts Eligible for Bidding



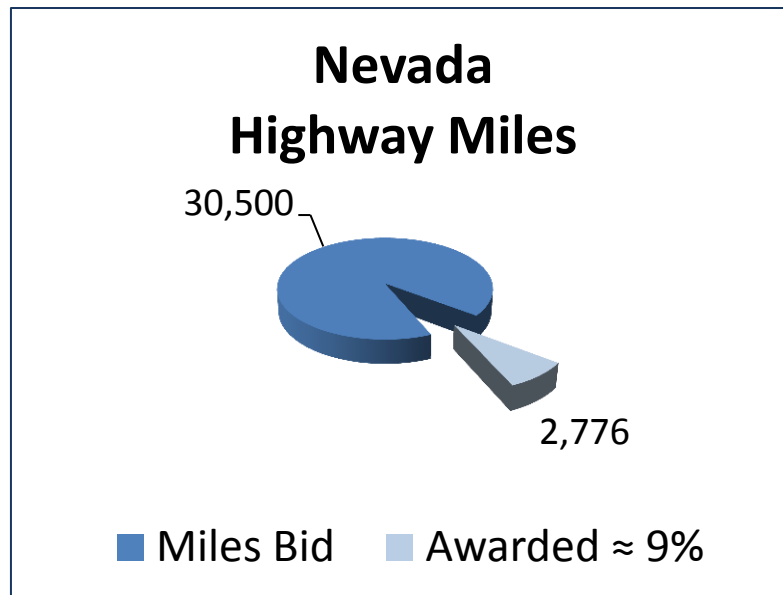
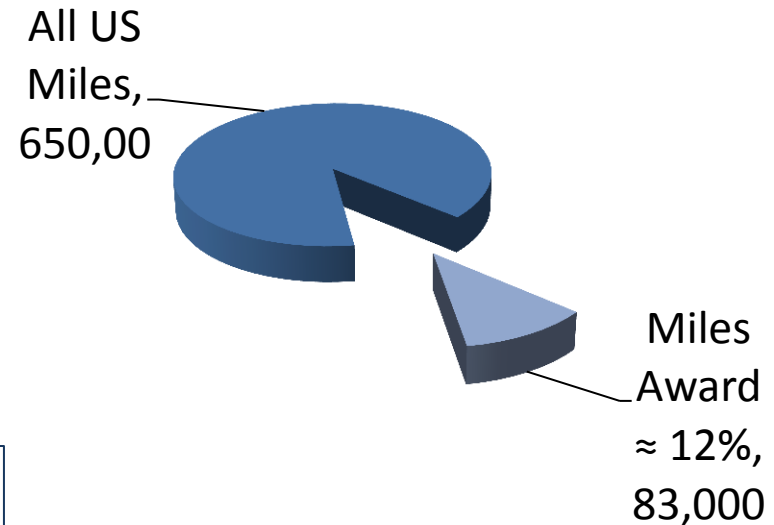
# Awarded Census Tracts in Nevada



- [www.fcc.gov](http://www.fcc.gov)
- Click Mobility Fund
  - under Maps & Data
  - (lower left)

# Nevada Report Card

- 38 Companies bid
- 795 of 894 bids awarded
- 19 States got \$0.00
- \$300M Awarded



- Comment of Nevada only bidder in Nevada
- Won 6 Census Tracks,
- 2,776 Road Miles
- \$21M Awarded



# Contact Information

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